

DRAFT - March 18, 1986

PRIVILEGED AND CONFIDENTIAL
ATTORNEYS' WORK PRODUCT

STATEMENT FOR
COVINGTON & BURLING
IN RESPONSE TO INQUIRIES

Covington & Burling, on behalf of the six major American cigarette manufacturers, submitted to the Department of Health and Human Services ("HHS") on April 2, 1986, an overall list of ingredients that are added to tobacco in the manufacture of cigarettes.

The submission was made in accordance with the requirements of the Federal Cigarette Labeling and Advertising Act and the HHS Federal Register announcement of December 3, 1985, implementing the requirements of the Act. Under the Act, companies which manufacture, package or import cigarettes into the United States must annually submit to HHS a list of ingredients added to tobacco in cigarette manufacture.

The Act provides that manufacturers required to provide a list may designate a third party to compile and submit a combined list of ingredients. Covington & Burling, in accordance with this provision, prepared and submitted a joint list on behalf of The American Tobacco Company, Brown & Williamson Tobacco Corporation, the Liggett Group, Inc., Lorillard, Inc., Philip Morris Incorporated, and R.J. Reynolds Tobacco Company.

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The specific ingredients used by the companies are trade secrets and highly confidential proprietary information. Recognizing this, the Act specifically provides that the list of ingredients submitted to HHS need not identify the companies that use individual ingredients or the brands of cigarettes that contain particular ingredients. The Act further provides that HHS must adopt and follow procedures designed to protect the confidentiality of the list. These procedures were set forth in detail in the Federal Register announcement.

HHS will now be reviewing the list, and the cigarette manufacturers are prepared to discuss any aspect of the list with the Department.

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